

**Minutes**  
**Ohio Charitable Advisory Council**  
**April 9, 2008**  
**Office of the Ohio Attorney General**

**Members present:** Barbara Baker, chair; John Matesich, vice chair; Jennifer Campbell, George Espy, Mary Gallagher, Joyce Garver Keller, Barbara Kraig, George Ondick, Rita Soronen and Elaine Woloshyn. **Others present included:** Greg Landsman of the Governor's Office on Faith-based and Community Initiatives, Mike Carroll of Strategic Health Care, Mary Amos Augsburg of Squire Sanders, and Marilyn Bergman, Erica Lehman, Greg Heldt and Christy Hagerman from the charity divisions of Better Business Bureaus around the state. Monica Moloney and Beth Short of the Attorney General's Office were also present.

1. **Call to order.** Meeting was called to order by Council Chair Barbara Baker.
2. **Minutes.** Participants were welcomed and introduced. On motion of Ms. Keller, seconded by Mr. Matesich, minutes of the previous meeting were approved.
3. **Housekeeping Issues.** Ms. Baker suggested that the meeting resemble an open forum during which individuals do not need to be recognized to speak as long as the proceedings maintain a respectful tone. When required, Roberts Rules of Order will be used. There was consensus on this issue.
4. **Presentation from Greg Landsman, Director, Governor's Office of Faith-based and Community Initiatives.** Mr. Landsman provided an overview of the multi-pronged mission of his office: administer competitive grants programs, serve as a clearinghouse for nonprofits on funding opportunities, provide capacity building work to support the nonprofit community, and coordinate the Ohio Benefit Bank. He said he wants his office to serve as a central point of contact for nonprofit organizations. Mr. Landsman said that his office, which is guided by an advisory council, is trying to identify pragmatic approaches to building public-private partnerships that link nonprofits with public agencies. Easing the ability of nonprofits to seek government grants is another focus and his organization is trying to identify barriers to these efforts and suggest alternatives. He mentioned that his organization is taking a look at things such as unifying audit requirements for public grants.

A major theme of his work has been to link deeply-rooted community groups together in hopes that the collaborations will create additional opportunities, including submitting grant applications together. He noted that large organizations often bring an ability to administer grants, but that smaller groups bring a deep connection that is close to the people being served. This intermediary model is one he hopes to encourage throughout the state.

Mr. Landsman noted that his office will soon be releasing an RFP for six regional organizations to provide training and technical support for nonprofits. Each grantee will provide at least 21 trainings in issues including board development, volunteer management, fiscal controls, fundraising, strategic planning, etc. He hopes that each of the regional providers will assist between 100 and 150 nonprofit organizations during the grant period.

The office recently hosted a series of nonprofit roundtables around the state. Roughly 100 people attended each of the meetings and represented a wide range of nonprofits. Some represented large, well-established nonprofits, and some came from newly-created and small, grassroots groups. One of the most valuable outcomes of those meetings appeared to be the networking that took place among the participants. The office is going to hold additional forums to highlight various state departments and their work. He said he hopes this enables governmental offices to build relationships with nonprofits at the local level, and helps inform nonprofits about activities at the state level.

He noted that there is no formal connection between his office and the President's office with a similar name. There are monthly phone calls that connect all of the initiatives across the country and Ohio's efforts are viewed as being among the leaders nationally.

Mr. Landsman said his office has been working with United Way organizations across the state on their efforts to support 211 systems. His office is hoping to build an online inventory of nonprofit organizations. A web tool would be created that would allow organizations to be sorted geographically or based on the type of services provided. Granting organizations would also be able to access profiles on organizations that could be used to promote grant opportunities, etc. Mr. Landsman said that a feasibility study will be undertaken to better understand how to approach the project.

Advisory Council members expressed great interest in Mr. Landsman's work and suggested that it could be helpful to have regular updates on his important work.

5. **Presentation from Elaine Woloshyn of the Center for Nonprofit Excellence.** Ms. Woloshyn provided an overview of the work of her organization. She noted that the organization began in 2001 and was started by funders who had concerns about capacity building and other topics related to the strength and excellence of their grantees. Since its founding, CNE has served 5,000 individuals and 1,000 organizations. One of the projects that funders wanted in the development of the center was a resource center that would manage tools and resources for best practices and other related issues. CNE has both a physical and virtual resource center. Providing professional development opportunities for nonprofit staff has been a major theme at the Center. She said that the Center has been surprised by the diverse range of groups and individuals who have sought help.

Ms. Woloshyn said the Center recently received a four-year grant to address generational change and hosted an event with a national speaker. She said that generational change will be a transformational issue for nonprofits.

The Center provides ample opportunities for peer networking which seems to be valued within the community. The in-depth consulting services provided through the Center are popular and used to teach nonprofits about strategic and business planning and how to build sustainability. Many times the consultant will do surveys and provide information on benchmarking that can be used for planning by the nonprofit. Other times, succession planning and search processes, as well as collaborations and mergers may be the themes identified for the consultant. She said that the CNE has foundation funds to help subsidize the expenses of consulting services for smaller organizations that would otherwise have difficulties affording the services.

Ms. Woloshyn said that governance issues are a large concern. She said she sees little deliberate wrongdoing by board members, but a lack of information and understanding of governance practices. She said she often asks board members how they became board members and learned what they were expected to do. She said she often gets blank stares when she asks about the duty of care and whether they have reviewed the 990 submitted by their organization. She said there has been a lack of services provided in the area of training board members on how to be strong board members. She said there is a popular report entitled, "The Dirty Little Secret of Nonprofit Boards," that suggests that most board members don't know how to read a balance sheet. She said she has significant concerns surrounding the issue of governance and accountability.

It can be tougher for organizations to find good board members anymore, but organizations with a good plan can attract strong board members. She said she has noticed a trend toward smaller boards. She said she always counsels against people sitting on too many boards. She said an over-abundance of Baby Boomers will create opportunities for service among older individuals.

- 6. Discussion.** Council members shared their reflections on the presentations. Mr. Espy said he agreed with Ms. Woloshyn's point about board members not understanding governance issues. He said he would like to invest efforts in identifying educational strategies to head off problems before they become issues that could end up as complaints in the Attorney General's office. Ms. Soronen said sometimes it is helpful for people to think of a nonprofit's clients as business customers and to see board members as the shareholders in the organization. There are important complexities in the governance of nonprofits. Others agreed that governance and accountability are important, and sometimes don't receive adequate attention.

Ms. Moloney reminded the group that the Attorney General's Office is interested in building partnerships to provide educational services that might close that gap. Unfortunately, she said, there are crooks who create nonprofits for the wrong reasons and no amount of training or educational services will serve to deter them. Mr. Espy noted that the changes to the 990 form could be a tool to teach nonprofit leaders about governance. Ms. Moloney noted that the 990 will continue to be an important information source for the Attorney General's office in its oversight responsibilities.

Ms. Bergman of the Columbus Better Business Bureau introduced her colleagues from around the state and provided an overview of the nonprofit standards that the BBB uses as a watchdog group. She said that the BBB offers training on nonprofit governance and accountability and is even developing a webinar on the subject. She offered to provide any assistance that the Council might be interested in connected with the important issue of governance.

7. **Working Paper 41.** Ms. Baker said that she had shared the article because she thought the paper illustrated some of the struggles and challenges across the country in trying to develop sound approaches toward the regulation of the nonprofit sector. Ms. Keller noted that her interest is in making certain that the Advisory Council sees any proposals that might be pending from the Attorney General. Mr. Matesich said that he thinks there is a responsibility to head off problems and help organizations do their work properly. Ms. Moloney noted that she is unaware of any pending proposals her office might promulgate. The Council reviewed the language of the rule which created the council and noted that identifying trends and issues about educational needs are among the charges to the group.
8. **Informal Survey on Capacity Building.** Ms. Short shared the results of an informal survey of United Way agencies throughout the state about their reflections on the availability of capacity-building trainings for nonprofits. She said that many of the organizations in smaller communities noted that such training was a big need. Some expressed concerns about board members not understanding their responsibilities related to the governance of nonprofits. Some of those contacted through the email survey have already requested that the Attorney General's office assist in a community trainings on board responsibilities. Other issues that were identified included concerns about succession matters, ensuring that there are adequate community leaders equipped to step into board roles, as well as a proliferation of start-up nonprofits. Ms. Short also mentioned the services provided by Executive Service Corps in the Cincinnati area, and Cleveland's Business Volunteers Unlimited which match individuals from the corporate community with nonprofits for consulting relationships.
9. **Other Business.** Ms. Baker announced that the status of Mr. Espy and Ms. Keller had been changed from non-voting to voting members of the Council. Ms.

Moloney reminded Council members that the office would greatly appreciate hearing from members about trends or issues they might be observing within the nonprofit community. It was announced that the Attorney General's office is soliciting proposals from experts who might help the office in analyzing community benefit and other healthcare issues throughout the state. Members were reminded that the next meeting is June 11.

**10. Meeting Adjourned.**

Respectfully Submitted,

Beth Short